

IN THE MATTER OF THE APPLICATION)	CASE NO. IPC-E-16-03
OF IDAHO POWER COMPANY FOR A)	
DETERMINATION OF 2015 DEMAND-SIDE)	NOTICE OF APPLICATION
MANAGEMENT EXPENDITURES AS)	
PRUDENTLY INCURRED)	NOTICE OF
)	INTERVENTION DEADLINE
)	
)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 33505

YOU ARE FURTHER NOTIFIED that the Company primarily attributes these energy savings to commercial/industrial sector DSM activities (102,074 MWh) and, to a lesser extent, residential sector DSM activities (24,532 MWh), and irrigation sector DSM activities (14,027 MWh). The Company reports it enrolled enough participants in its demand response programs to provide 385 MW of load shedding capacity, and that the programs ultimately reduced demand by 367 MW and saved customers about \$1.6 million.

YOU ARE FURTHER NOTIFIED that the Company funds its Idaho energy efficiency programs through the Idaho Energy Efficiency Rider, base rates, and the annual Power Cost Adjustment (PCA). It funds its Idaho demand response programs through base rates and the PCA. With this Application, the Company asks the Commission to find that the Company prudently incurred \$35,196,964 in expenses to develop and run its DSM programs in 2015. The Company states these expenses include \$28,495,701 in Idaho Energy Efficiency Rider expenses and \$6,701,263 in demand response program incentive payments. The Company states it calculated these expenses after several adjustments to amounts set forth in the DSM Report, including an exclusion of \$441,856 in Rider-funded labor-related expenses.

YOU ARE FURTHER NOTIFIED that the Company's Application describes the Company's evaluation of its DSM programs and whether they were cost-effective in 2015. The DSM Report discusses the cost-effectiveness of the Company's DSM programs and energy savings measures.

YOU ARE FURTHER NOTIFIED that the Company says it used the following benefit/cost tests to determine the cost-effectiveness of its energy efficiency programs and measures: (1) the total resource cost test ("TRC"); (2) the utility cost test ("UCT"); (3) the participant cost test ("PCT"); and (4) the ratepayer impact measure test ("RIM").¹ The Company reports that in 2015 its overall energy efficiency portfolio was cost-effective from a TRC and UCT perspective with ratios of 2.32 and 3.57. Of the Company's Idaho energy efficiency

¹ The four tests examine a program's cost-effectiveness from different perspectives. In summary, the TRC compares program administrator costs and customer costs to utility resource savings, and assesses whether the total cost of energy in a utility's service territory will decrease. The UCT compares program administrator costs to supply-side resource costs, and assesses whether utility bills will increase. The PCT compares the costs and benefits of the customer installing the measure, and assesses whether program participants will benefit over the measure's life. The RIM measures the impact to customer bills or rates due to changes in utility revenues and operating costs caused by an energy efficiency program. Under these tests, a program or measure is deemed cost-effective if it has a benefit/cost ratio above 1.0.

programs, 12 programs passed the TRC and UCT, 1 program failed the TRC but passed the UCT, and 2 programs failed both the TRC and UCT. All energy efficiency programs with customer costs pass the PCT. When assessing the cost-effectiveness of its demand response programs, the Company does not calculate a benefit/cost ratio. Rather, the Company uses a pre-determined annual value of \$16.7 million, which was established by Commission Order No. 32923. The Company estimated that the programs would have remained cost-effective if fully dispatched.

YOU ARE FURTHER NOTIFIED that the Company reports that independent, third-party consultants were used to provide impact and process evaluations to verify that program specifications are met, recommend improvements, and validate program-related energy savings. In 2015, impact evaluations were completed on six programs and process evaluations were completed on three programs.

YOU ARE FURTHER NOTIFIED that the Company's Application describes the input that various stakeholders, including the Company's Energy Efficiency Advisory Group, had in developing the Company's DSM activities. The Company notes that stakeholder input in 2015 led the Company to increase the scope and reach of its marketing efforts for its DSM programs.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Open Electric Cases," and then click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, including *Idaho Code* §§ 61-501 and -503. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this case for the purpose of presenting evidence or cross-examining witnesses must file a Petition to Intervene with the Commission, pursuant to Rule 72 and 73 of the Commission's Rules of Procedure (IDAPA 31.01.01.000 *et seq.*), **no later than 14 days after the date of service of this Order.** Persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or to other parties, as discussed below.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission by **Thursday, July 14, 2016.** The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and Idaho Power at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, Idaho 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Lisa D. Nordstrom
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: lnordstrom@idahopower.com
dockets@idahopower.com

Connie Aschenbrenner
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: caschenbrenner@idahopower.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to Idaho Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Company shall file reply comments, if any, by **Thursday, August 4, 2016**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

ORDER

IT IS HEREBY ORDERED that this Application be processed under Modified Procedure, Rules 201-204, IDAPA 31.01.01.201-.204.

IT IS FURTHER ORDERED that persons desiring to intervene in this case for the purpose of presenting evidence or cross-examining witnesses must file a Petition to Intervene with the Commission, pursuant to Rules 72 and 73, IDAPA 31.01.01.72-73, no later than 14 days after the date of service of this Order.

IT IS FURTHER ORDERED that persons interested in submitting written comments must do so by July 14, 2016. The Company may file a reply no later than August 4, 2016.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 19th
day of April 2016.



PAUL KJELLANDER, PRESIDENT

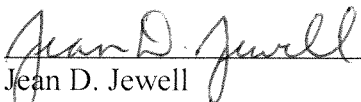


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:IPC-E-16-03_bk

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